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Message Text

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ACTION AGRE-00

INFO OCT-01 EUR-12 ISO-00 COME-00 EB-08 CIAE-00 INR-07
NSAE-00 TRSE-00 L-03 PA-01 PRS-01 /033 W
----------180506 085354 /13
R 172201Z FEB 77
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC 2501
INFO AMCONSUL VANCOUVER

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PASS AGRICULTURE FOR FAS/ANDERSON; G. WHITE

E.O. 11652: N/A
TAGS: EAGR, ETRD, CA
SUBJECT: B.C. CHICKEN MARKETING BOAD ATTEMPTS TO STOP SALE OF IMPORTED U.S. CHICKEN

1. SUMMARY: EARLIER THIS WEEK THE B.C. CHICKEN MARKETING BOARD PLACED SEIZURE ORDERS ON U.S. CHICKENS BEING OFFERED FOR SALE IN SUPER-VALU STORES. MARKETING BOARD CONTENDS THEY HAVE LEGAL AUTHORITY TO REGULATE SALE OF IMPORTED PRODUCT. LOBLAWS:TORONTO, PARENT FIRM, CONTENDS THIS ACTION ILLEGAL. STORES CONTINUE TO OFFER PRODUCT FOR SALE. LOBLAWS HAVE FILED COURT ACTION IN B.C. END SUMMARY

2. LOBLAWS, MAJOR SUPERMARKET CHAIN IN CANADA HAS BEEN AGGRESSIVE IMPORTER OF U.S. BROILER CHICKENS IN ONTARIO AND MORE RECENTLY IN MANITOBA AND ALBERTA. ACCORDING TO LOBLAWS THEY ATTEMPTED REACH AGREEMENT WITH B.C. CHICKEN MARKETING BOARD FOR THEIR SUPER-VALU CHAIN. BOARD STATED THAT ANY IMPORTED CHICKEN WOULD BE SEIZED. HOWEVER, BOARD AGREED RE-EXAMINE THEIR WHOLESALE PRICES, WHICH ARE 75-80 CENTS/LB. NOTHING HAPPENED.
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3. LOBLAWS MOVED 60,000 LBS. INTO B.C., FROM MISSOURI VIA BLAINE, WASHINGTON PAST WEEK. LANDED COST 54 CENTS/LB. TO RETAIL AT 59 CENTS AGAINST LOCAL PRICE OF $1.09/LB.

4. B.C. BOARD INSPECTORS APPEARED AT SUPER-VALU STORES,

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PLACED SEIZURE TAGS ON 2000 BROILERS AND ORDERED STORE
TO FREEZE AND STORE PRODUCT ON OWN PREMISES.

5. SUPER-VALU, ACTING ON ADVICE LOBLAW ATTORNEYS, REFUSED
TO CEASE SALES CONTENDING THAT BOARD HAS NO AUTHORITY
TO SEIZE PRODUCT. LOBLAW HAS FILED SUIT IN B.C.
CONTESTING BOARD'S AUTHORITY TO REGULATE IMPORTED PRODUCT
UNDER IMPORT ORDER NO. 1, WHICH THEY CONTEND IS IN
VIOLATION OF BRITISH NORTH AMERICA ACT.

6. B.C. BOARD INSPECTORS PURCHASED TWO CHICKENS WHICH
THEY USED FOR TESTING. ACCORDING TO PRESS REPORTS BOARD
CLAIMS ARSENIC CONTENT OF LIVERS AT 1.3PPM EXCEEDS FEDERAL
TOLERANCE OF 1.0PPM. BOARD ALSO TESTING FOR MERCURY, DRUG
RESIDUES AND SALMONELLA.

7. FEDERAL MEAT INSPECTION AUTHORITIES CLEARED SHIPMENT
AT BORDER AND HAVE NOT BEEN INVOLVED IN PROVINCIAL TESTS.
FEDERAL AUTHORITIES ARE SHOCKED AT BOARD'S
STATEMENTS AND ACTONS. WHILE GENERAL ARSENIC TOLERANCE
IS 1.0PPM, TOLERANCE FOR PORK AND CHICKENLIVERS
IS 2.0PPM. TESTING OF IMPORTED CHICKEN FOR
SLAMONELLA WILL MEAN INCREASED TESTING OF DOMESTIC
POULTRY, WHICH COULD BACK-FIRE.

8. AGATT GETS IMPRESSION FROM GOC CONTACTS THAT
FEDERAL GOVERNMENT CONSIDERS THIS A DOMESTIC PRO-
VINCIAL ISSUE. INDIVIDUALLY, OFFICIALS BELIEVE PENDING
LITIGATION WILL RESULT IN SET-BACK FOR PROVINCIAL
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BOARDS.

9. NOTE: INFORMATION ON LOBLAWS OBTAINED IN
CONFIDENCE FROM TORONTO HEADQUARTERS.

10. COMMENT: IMPORT ORDER NO. 1 PARA 5 IS A B.C. LAW.
EMBASSY OBTAINING COPY. EMBASSY ADVISED THAT A SIMILAR LAW WAS
STRUCK DOWN BY FEDERAL SUPREME COURT IN 1971. GOC MINISTRY
CONSUMER AND CORPORATE AFFAIRS WILL MONITOR COURT PRO-
CEEDINGS IN VANCOUVER SCHEDULED FOR NEXT WEEK. UNDERSTAND
LOBLAWS WILL CARRY CASE TO FEDERAL COURTS IF B.C. COURT
DECISION UPHOLDS PROVINCIAL BOARD AUTHORITY. HOWEVER, IF
FEDERAL COURT WOULD UPHOLD PROVINCIAL AUTHORITY TO
INTERFERE WITH IMPORTS, WE COULD WITNESS A PROLIFERATION
OF B.C. TYPE LAW BY OTHER PROVINCES AND U.S. EXPORTERS OF
AGRICULTURAL COMMODITIES SUBJECT TO PROVINCIAL BOARDS
COULD FIND THEMSELVES FACED WITH A WHOLE NEW ARRAY
OF NON-TARIFF BARRIERS TO TRADE.
DUEMLING

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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From: OTTAWA
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770232/aaaabcat.tel
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
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Review Release Event: n/a
Review Transfer Date:
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SAS ID: 3296196
Secure: OPEN
Status: NATIVE
Subject: B.C. CHICKEN MARKETING BOAD ATTEMPTS TO STOP SALE OF IMPORTED U.S. CHICKEN
TAGS: EAGR, ETRD, CA
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/6b9f17c5-c288-dd11-92da-001cc4696bcc
Review Markings:
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